



ANNUAL STATEMENT

For the Year Ending December 31, 2005  
of the Condition and Affairs of the

HealthLink HMO, Inc.

NAIC Group Code.....0671, 0671  
(Current Period) (Prior Period)

NAIC Company Code..... 96475

Employer's ID Number..... 43-1616135

Organized under the Laws of Missouri

State of Domicile or Port of Entry Missouri

Country of Domicile US

Licensed as Business Type.....Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized..... July 29, 1992

Commenced Business..... January 14, 1993

Statutory Home Office

12443 Olive Boulevard... St. Louis ..... MO ..... 63141  
(Street and Number) (City, State and Zip Code)

Main Administrative Office

1831 Chestnut Street... St. Louis ..... MO ..... 63103-2275  
(Street and Number) (City, State and Zip Code)

314-923-4444  
(Area Code) (Telephone Number)

Mail Address

401 W Michigan Street... Milwaukee ..... WI ..... 53203  
(Street and Number or P. O. Box) (City, State and Zip Code)

Primary Location of Books and Records

401 W Michigan Street... Milwaukee ..... WI ..... 53203  
(Street and Number) (City, State and Zip Code)

414-226-6833  
(Area Code) (Telephone Number)

Internet Website Address

www.healthlink.com

Statutory Statement Contact

Brenda J Buss  
(Name)

414-226-6833  
(Area Code) (Telephone Number) (Extension)

Brenda.Buss@bcbswi.com  
(E-Mail Address)

414-226-6500  
(Fax Number)

Policyowner Relations Contact

12443 Olive Boulevard... St. Louis ..... MO ..... 63141  
(Street and Number) (City, State and Zip Code)

314-989-6032  
(Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
1. David Timothy Ott	President	2. Nancy Louise Purcell	Secretary
3. Robert David Kretschmer	Treasurer		

OTHER

David Charles Colby	Chief Financial Officer	David Michael Henley #	Assistant Secretary
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DIRECTORS OR TRUSTEES

David Charles Colby	Angela Rose Fick-Braly #	David Timothy Ott #
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State of..... Missouri  
County of..... St. Louis

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
David Timothy Ott	Nancy Louise Purcell	Robert David Kretschmer
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

a. Is this an original filing? Yes [ X ] No [ ]

This day of

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,190,875		1,190,875	14,931,486
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....7,417,703, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....3,481,889, Sch. DA).....	10,899,592		10,899,592	9,020,701
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Other invested assets (Schedule BA).....			.0	
8. Receivables for securities.....			.0	5,400
9. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	12,090,467	.0	12,090,467	23,957,587
11. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
12. Investment income due and accrued.....	14,604		14,604	57,896
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	219,898		219,898	344,714
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
13.3 Accrued retrospective premiums.....			.0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....			.0	
14.2 Funds held by or deposited with reinsured companies.....			.0	
14.3 Other amounts receivable under reinsurance contracts.....			.0	
15. Amounts receivable relating to uninsured plans.....			.0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	82,299		82,299	
16.2 Net deferred tax asset.....	386,580	238,957	147,623	341,852
17. Guaranty funds receivable or on deposit.....			.0	
18. Electronic data processing equipment and software.....			.0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
21. Receivables from parent, subsidiaries and affiliates.....	716,815		716,815	742,137
22. Health care (\$....44,421) and other amounts receivable.....	44,421	19,020	25,401	39,857
23. Aggregate write-ins for other than invested assets.....	2,583,276	485,124	2,098,152	1,126,489
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	16,138,360	743,101	15,395,259	26,610,532
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
26. TOTALS (Lines 24 and 25).....	16,138,360	743,101	15,395,259	26,610,532

DETAILS OF WRITE-INS				
0901.....			.0	
0902.....			.0	
0903.....			.0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0	.0
2301. Medical Claims Receivable.....	2,063,076	221,184	1,841,892	1,126,489
2302. Provider Admin Fee Receivable.....	520,200	263,940	256,260	
2303.....			.0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	2,583,276	485,124	2,098,152	1,126,489

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	132,893		132,893	166,919
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....			0	
4. Aggregate health policy reserves.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	206,779		206,779	155,146
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	50,949
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	38,695		38,695	88,697
16. Payable for securities.....			0	
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
18. Reinsurance in unauthorized companies.....			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Liability for amounts held under uninsured accident and health plans.....			0	
21. Aggregate write-ins for other liabilities (including \$.....0 current).....	265,755	0	265,755	159,806
22. Total liabilities (Lines 1 to 21).....	644,122	0	644,122	621,517
23. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
24. Common capital stock.....	XXX	XXX	1,000	1,000
25. Preferred capital stock.....	XXX	XXX		
26. Gross paid in and contributed surplus.....	XXX	XXX	2,499,000	2,499,000
27. Surplus notes.....	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
29. Unassigned funds (surplus).....	XXX	XXX	12,251,137	23,489,015
30. Less treasury stock at cost: 30.1 .....0.000 shares common (value included in Line 24 \$.....0)..... 30.2 .....0.000 shares preferred (value included in Line 25 \$.....0).....	XXX XXX	XXX XXX		
31. Total capital and surplus (Lines 23 to 28 minus Line 29).....	XXX	XXX	14,751,137	25,989,015
32. Total liabilities, capital and surplus (Lines 22 and 30).....	XXX	XXX	15,395,259	26,610,532

DETAILS OF WRITE-INS

2101. Medical Claims Payable.....	249,596		249,596	115,301
2102. Other Payables.....	16,159		16,159	44,505
2103. ....			0	
2198. Summary of remaining write-ins for Line 21 from overflow page.....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above).....	265,755	0	265,755	159,806
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0
2801. ....	XXX	XXX		
2802. ....	XXX	XXX		
2803. ....	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page.....	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	109,055.....	182,581.....
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	2,350,370.....	4,495,069.....
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.....	.....
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....	.....	.....
5. Risk revenue.....	XXX.....	.....	.....
6. Aggregate write-ins for other health care related revenues.....	XXX.....	15,395,483.....	12,377,990.....
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0.....	0.....
8. Total revenues (Lines 2 to 7).....	XXX.....	17,745,853.....	16,873,059.....
Hospital and Medical:			
9. Hospital/medical benefits.....	.....	916,517.....	1,641,049.....
10. Other professional services.....	.....	328,942.....	691,447.....
11. Outside referrals.....	.....	.....	.....
12. Emergency room and out-of-area.....	.....	.....	.....
13. Prescription drugs.....	.....	1,489,799.....	1,509,261.....
14. Aggregate write-ins for other hospital and medical.....	0.....	0.....	0.....
15. Incentive pool, withhold adjustments and bonus amounts.....	.....	.....	.....
16. Subtotal (Lines 9 to 15).....	0.....	2,735,258.....	3,841,757.....
Less:			
17. Net reinsurance recoveries.....	.....	.....	.....
18. Total hospital and medical (Lines 16 minus 17).....	0.....	2,735,258.....	3,841,757.....
19. Non-health claims (net).....	.....	.....	.....
20. Claims adjustment expenses, including \$.....236,851 cost containment expenses.....	.....	236,851.....	143,343.....
21. General administrative expenses.....	.....	1,914,678.....	2,904,162.....
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....	.....	.....	.....
23. Total underwriting deductions (Lines 18 through 22).....	0.....	4,886,787.....	6,889,262.....
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	12,859,066.....	9,983,797.....
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	.....	816,913.....	580,891.....
26. Net realized capital gains or (losses) less capital gains tax of \$.....(141,027).....	.....	(261,908).....	.....
27. Net investment gains or (losses) (Lines 25 plus 26).....	0.....	555,005.....	580,891.....
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	.....	.....	.....
29. Aggregate write-ins for other income or expenses.....	0.....	0.....	0.....
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	13,414,071.....	10,564,688.....
31. Federal and foreign income taxes incurred.....	XXX.....	4,471,351.....	4,497,681.....
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	8,942,720.....	6,067,007.....
DETAILS OF WRITE-INS			
0601. Provider Admin Fees.....	XXX.....	907,513.....	1,019,810.....
0602. Revenue ASO Business.....	XXX.....	14,487,970.....	11,358,180.....
0603. ....	XXX.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0.....	0.....
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	15,395,483.....	12,377,990.....
0701. ....	XXX.....	.....	.....
0702. ....	XXX.....	.....	.....
0703. ....	XXX.....	.....	.....
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0.....	0.....
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	0.....	0.....
1401. Expense - ASO Business.....	.....	.....	.....
1402. ....	.....	.....	.....
1403. ....	.....	.....	.....
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0.....	0.....	0.....
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0.....	0.....	0.....
2901. ....	.....	.....	.....
2902. ....	.....	.....	.....
2903. ....	.....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0.....	0.....	0.....
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0.....	0.....	0.....

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	25,989,015	26,133,366
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS</b>		
34. Net income or (loss) from Line 32.....	8,942,720	6,067,007
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	44,728	(195,719)
39. Change in nonadmitted assets.....	(225,326)	484,361
40. Change in unauthorized reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....	(20,000,000)	(6,500,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(11,237,878)	(144,351)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	14,751,137	25,989,015

**DETAILS OF WRITE-INS**

4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	2,476,151	4,584,161
2. Net investment income.....	855,171	612,346
3. Miscellaneous income.....	15,395,483	12,377,990
4. Total (Lines 1 through 3).....	18,726,805	17,574,497
5. Benefit and loss related payments.....	2,769,284	3,903,203
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,993,947	2,984,640
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....(141,027) net of tax on capital gains (losses).....	4,463,572	3,757,516
10. Total (Lines 5 through 9).....	9,226,803	10,645,360
11. Net cash from operations (Line 4 minus Line 10).....	9,500,002	6,929,137
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	13,342,710	2,692,000
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....	5,400	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	13,348,110	2,692,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		2,789,538
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		5,400
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	2,794,938
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14).....	13,348,110	(102,938)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	20,000,000	6,500,000
16.6 Other cash provided (applied).....	(969,221)	1,930,366
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(20,969,221)	(4,569,634)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,878,891	2,256,566
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	9,020,701	6,764,135
19.2 End of year (Line 18 plus Line 19.1).....	10,899,592	9,020,701

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001 .....	.....	.....
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### **ANALYSIS OF OPERATION BY LINES OF BUSINESS (Gain and Loss Exhibit)**

[illegible]

### DETAILS OF WRITE-INS

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....	2,350,370			2,350,370
2.	Medicare supplement.....				0
3.	Dental only.....				0
4.	Vision only.....				0
5.	Federal employees health benefits plan.....				0
6.	Title XVIII - Medicare.....				0
7.	Title XIX - Medicaid.....				0
8.	Stop loss.....				0
9.	Disability income.....				0
10.	Long-term care.....				0
11.	Other health.....				0
12.	Health subtotal (Lines 1 through 11).....	2,350,370	0	0	2,350,370
13.	Life.....				0
14.	Property/casualty.....				0
15.	Totals (Lines 12 to 14).....	2,350,370	0	0	2,350,370



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct.....	2,769,285	2,769,285											
1.2 Reinsurance assumed.....	0												
1.3 Reinsurance ceded.....	0												
1.4 Net.....	2,769,285	2,769,285	0	0	0	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	0												
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct.....	132,892	132,892											
3.2 Reinsurance assumed.....	0												
3.3 Reinsurance ceded.....	0												
3.4 Net.....	132,892	132,892	0	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct.....	0												
4.2 Reinsurance assumed.....	0												
4.3 Reinsurance ceded.....	0												
4.4 Net.....	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0												
6. Net healthcare receivables (a).....	0												
7. Amounts recoverable from reinsurers December 31, current year.....	0												
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct.....	166,919	166,919											
8.2 Reinsurance assumed.....	0												
8.3 Reinsurance ceded.....	0												
8.4 Net.....	166,919	166,919	0	0	0	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct.....	0												
9.2 Reinsurance assumed.....	0												
9.3 Reinsurance ceded.....	0												
9.4 Net.....	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0												
11. Amounts recoverable from reinsurers December 31, prior year.....	0												
12. Incurred benefits:													
12.1 Direct.....	2,735,258	2,735,258	0	0	0	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
12.4 Net.....	2,735,258	2,735,258	0	0	0	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in process of adjustment:													
1.1 Direct.....	(15,485)	(15,485)											
1.2 Reinsurance assumed.....	0												
1.3 Reinsurance ceded.....	0												
1.4 Net.....	(15,485)	(15,485)	0	0	0	0	0	0	0	0	0	0	0
2. Incurred but unreported:													
2.1 Direct.....	0												
2.2 Reinsurance assumed.....	0												
2.3 Reinsurance ceded.....	0												
2.4 Net.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:													
3.1 Direct.....	148,377	148,377											
3.2 Reinsurance assumed.....	0												
3.3 Reinsurance ceded.....	0												
3.4 Net.....	148,377	148,377	0	0	0	0	0	0	0	0	0	0	0
4. Totals:													
4.1 Direct.....	132,892	132,892	0	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	132,892	132,892	0	0	0	0	0	0	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	176,919	2,592,366	(14,288)	147,181	162,631	166,919
2. Medicare supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	176,919	2,592,366	(14,288)	147,181	162,631	166,919
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	176,919	2,592,366	(14,288)	147,181	162,631	166,919

(a) Excludes \$.00 loans or advances to providers not yet expensed.

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Grand Total**  
**NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Grand Total**  
**NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Grand Total**  
**NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Hospital & Medical**  
**NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Hospital & Medical**  
**NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Hospital & Medical**  
**NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.**  
**NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.**  
**NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.**  
**NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental**  
**NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental**  
**NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental**  
**NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision**  
**NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision**  
**NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision**  
**NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health**  
**NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health**  
**NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health**  
**NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Other  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Other  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Other  
NONE**

**U & I Ex.-Pt.2D  
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3  General Administrative Expenses	4  Investment Expenses	5  Total
	1  Cost Containment Expenses	2  Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	13,116		42,825		55,941
2. Salaries, wages and other benefits.....	186,993		837,935		1,024,928
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....	68		7,054		7,122
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	92		138,092		138,184
7. Traveling expenses.....	120		23,010		23,130
8. Marketing and advertising.....	28		27,978		28,006
9. Postage, express and telephone.....	12,385		52,063		64,448
10. Printing and office supplies.....	2,702		23,413		26,115
11. Occupancy, depreciation and amortization.....	41		10,613		10,654
12. Equipment.....	4,243		6,397		10,640
13. Cost or depreciation of EDP equipment and software.....	71		(18,188)		(18,117)
14. Outsourced services including EDP, claims, and other services.....	5,086		95,000		100,086
15. Boards, bureaus and association fees.....	41		3,942		3,983
16. Insurance, except on real estate.....			9,014		9,014
17. Collection and bank service charges.....			5,222		5,222
18. Group service and administration fees.....					0
19. Reimbursements by uninsured accident and health plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....			(7)		(7)
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			1,607		1,607
23.2 State premium taxes.....					0
23.3 Regulator authority licenses and fees.....	4		30		34
23.4 Payroll taxes.....	523		13,287		13,810
23.5 Other (excluding federal income and real estate taxes).....	11,338		635,391		646,729
24. Investment expenses not included elsewhere.....				13,283	13,283
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	236,851	0	1,914,678	13,283	(a).....2,164,812
27. Less expenses unpaid December 31, current year.....			206,779		206,779
28. Add expenses unpaid December 31, prior year.....			155,146		155,146
29. Amounts receivable relating to uninsured accident and health plans, prior year.....					0
30. Amounts receivable relating to uninsured accident and health plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	236,851	0	1,863,045	13,283	.....2,113,179

DETAILS OF WRITE-INS

2501. ....					0
2502. ....					0
2503. ....					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0	0

(a) Includes management fees of \$.....1,558,312 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....518,157	.....464,064
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....	.....
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....371,323	.....371,323
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....(5,191)	.....(5,191)
10. Total gross investment income.....	.....884,289	.....830,196
11. Investment expenses.....	.....	(g).....13,283
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....13,283
17. Net investment income (Line 10 minus Line 16).....	.....	.....816,913

DETAILS OF WRITE-INS

0901. Other Income.....	.....(5,191)	.....(5,191)
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....(5,191)	.....(5,191)
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0
(a) Includes \$.....5,933 accrual of discount less \$.....899 amortization of premium and less \$.....0 paid for accrued interest on purchases.	.....	.....
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.	.....	.....
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.	.....	.....
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.	.....	.....
(e) Includes \$.....112,580 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.	.....	.....
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.	.....	.....
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.	.....	.....
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.	.....	.....
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.	.....	.....

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. government bonds.....	.....(402,935)	.....	.....	.....(402,935)
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....	.....0
1.2 Other bonds (unaffiliated).....	.....	.....	.....	.....0
1.3 Bonds of affiliates.....	.....	.....	.....	.....0
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....	.....0
2.11 Preferred stocks of affiliates.....	.....	.....	.....	.....0
2.2 Common stocks (unaffiliated).....	.....	.....	.....	.....0
2.21 Common stocks of affiliates.....	.....	.....	.....	.....0
3. Mortgage loans.....	.....	.....	.....	.....0
4. Real estate.....	.....	.....	.....	.....0
5. Contract loans.....	.....	.....	.....	.....0
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....	.....0
7. Derivative instruments.....	.....	.....	.....	.....0
8. Other invested assets.....	.....	.....	.....	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(402,935)	.....0	.....0	.....(402,935)

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....	.....0
0902. ....	.....	.....	.....	.....0
0903. ....	.....	.....	.....	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page....	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.....0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.....0
2.2 Common stocks.....			.....0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.....0
3.2 Other than first liens.....			.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.....0
4.2 Properties held for the production of income.....			.....0
4.3 Properties held for sale.....			.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.....0
6. Contract loans.....			.....0
7. Other invested assets (Schedule BA).....			.....0
8. Receivables for securities.....			.....0
9. Aggregate write-ins for invested assets.....	.....0	.....0	.....0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	.....0	.....0	.....0
11. Title plants (for Title insurers only).....			.....0
12. Investment income due and accrued.....			.....0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....		.....965	.....965
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.....0
13.3 Accrued retrospective premiums.....			.....0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....			.....0
14.2 Funds held by or deposited with reinsured companies.....			.....0
14.3 Other amounts receivable under reinsurance contracts.....			.....0
15. Amounts receivable relating to uninsured plans.....			.....0
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.....0
16.2 Net deferred tax asset.....	.....238,957		.....(238,957)
17. Guaranty funds receivable or on deposit.....			.....0
18. Electronic data processing equipment and software.....			.....0
19. Furniture and equipment, including health care delivery assets.....			.....0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0
21. Receivable from parent, subsidiaries and affiliates.....			.....0
22. Health care and other amounts receivable.....	.....19,020	.....25,194	.....6,174
23. Aggregate write-ins for other than invested assets.....	.....485,124	.....491,616	.....6,492
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	.....743,101	.....517,775	.....(225,326)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
26. TOTALS (Lines 24 and 25).....	.....743,101	.....517,775	.....(225,326)

**DETAILS OF WRITE-INS**

0901. ....			.....0
0902. ....			.....0
0903. ....			.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0
2301. Medical Claims Receivable.....	.....221,184	.....209,534	.....(11,650)
2302. Provider Admin Fee Receivable.....	.....263,940	.....282,082	.....18,142
2303. ....			.....0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.....0	.....0	.....0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	.....485,124	.....491,616	.....6,492



**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	13,154	7,401	7,408	7,164	8,428	86,799
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....	1,922	1,943	1,866	1,786	1,791	22,256
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	15,076	9,344	9,274	8,950	10,219	109,055

**DETAILS OF WRITE-INS**

0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**A. Accounting Practices**

The accompanying financial statements of HealthLink HMO, Inc. (the ‘Company’) are presented on the basis of accounting practices prescribed or permitted by the State of Missouri Department of Insurance (the ‘DOI ’).

The DOI recognizes only statutory accounting practices prescribed or permitted by the DOI for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Missouri Insurance Law. The National Association of Insurance Commissioners (‘NAIC’) *Accounting Practices and Procedures Manual* (‘NAIC SAP’) has been adopted as a component of prescribed or permitted accounting practices by the state of Missouri.

For the years ended December 31, 2005 and 2004, there were no differences between the Company’s statutory basis capital and surplus or net income (loss) under NAIC SAP and practices prescribed or permitted by the DOI.

**B. Use of Estimates in the Preparation of the Financial Statements**

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**C. Accounting Policies**

Premiums are earned over the term of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed by pro rata methods for direct. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Premiums paid by subscribers prior to the effective date is recorded on the balance sheet as advance premiums and subsequently credited to income as earned during the coverage period. Premium rates for certain lines of business are subject to approval by the DOI.

In addition, the Company uses the following accounting policies:

1. Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost.
2. Investment grade bonds not backed by other loans are stated at amortized cost with amortization calculated based on the interest method. Non-investment grade bonds are stated at the lower of cost or fair value based upon the NAIC’s Securities Valuation Office (‘SVO’).
3. The Company has no investments in common stocks of unaffiliated companies
4. The Company has no investments in preferred stocks of unaffiliated companies.
5. Mortgage loans –Not applicable.
6. Loan-backed securities are stated at amortized cost. Pre-payment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
7. The Company has no directly owned subsidiaries.
8. The Company has no investments in joint ventures, partnerships and limited liability companies.
9. The Company has no derivative instruments. However, the Company does invest in structured products (i.e., mortgage-backed securities) that have low volatility which are credit rated double A or better by Moody’s Investor Service, Inc. and/or Standard & Poor’s Rating Services.
10. The Company does not anticipate investment income as a factor in premium deficiency calculations.
11. Unpaid claims and claims adjustment expenses include amounts based on historical loss development patterns and certain individual case estimates. The established liability estimates consider health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claim and claims adjustment expense are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess

**NOTES TO FINANCIAL STATEMENTS**

of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and the results of such studies are incorporated into current period estimates.

12. The Company has not modified its capitalization policy from the prior period.

13. Rebates- Not applicable.

**2. Accounting Changes and Corrections of Errors**

**A. Correction of Errors**

There were no corrections of errors during the years ended December 31, 2005 and 2004.

**3. Business Combinations and Goodwill**

**A. Statutory Purchase Method**

Not applicable.

**B. Statutory Merger**

Not applicable.

**C. Assumption Reinsurance**

Not applicable.

**D. Impairment Loss**

Not applicable.

**4. Discontinued Operations**

The Company had no operations that were discontinued during 2005.

**5. Investments**

**A. Mortgage Loans**

The Company has no investment in mortgage loans.

**B. Debt Restructuring**

The Company has no invested assets that are restructured debt.

**C. Reverse Mortgages**

The Company has no investment in reverse mortgages.

**D. Loan-Backed Securities**

- 1. The Company uses the acquisition date for applying the retrospective adjustment method to securities.
- 2. Prepayment assumptions for mortgage-backed securities were obtained from broker-dealer survey values or internal estimates. Market value for loan-backed securities was determined using JP Morgan Chase Bank, a third-party pricing source.
- 3. The Company had no negative yield circumstances requiring a change from the retrospective to prospective methodology.

**E. Repurchase Agreements**

The Company has no repurchase agreements at December 31, 2005.

**F. Real Estate**

The Company has no real estate investments.

**NOTES TO FINANCIAL STATEMENTS**

**6. Joint Ventures, Partnerships and Limited Liability Companies**

- A. Not applicable.
- B. Not applicable.

**7. Investment Income**

- A. All investment income due and accrued with amounts that are over 90 days past due are considered non-admitted.
- B. At December 31, 2005 and 2004 there was no non-admitted accrued interest income.

**8. Derivative Instruments**

The Company has no derivative instruments.

**9. Income Taxes**

- A. The components of deferred tax assets (liabilities) at December 31 are as follows:

	Dec 31, 2005	Dec 31, 2004
Total Gross Deferred Tax Assets	\$387,048	\$341,852
Total of Deferred Tax Liabilities	(468)	0
Net Deferred Tax Assets	386,580	341,852
Deferred Assets nonadmitted	(238,957)	0
Net admitted deferred tax assets	\$147,623	\$341,852
Increase/(decrease) in nonadmitted assets	\$238,957	\$0

- B. The Company has no unrecognized deferred tax liabilities at December 31, 2005 and 2004.
- C. Current income taxes incurred (benefit) consist of the following:

	Dec 31, 2005	Dec 31, 2004
Federal income tax on operations	\$ 4,471,351	\$ 4,497,681
Federal income tax on net capital gains	(141,027)	-
Federal income taxes	\$ 4,330,324	\$ 4,497,681

The components of deferred income taxes at December 31 are as follows:

	Dec 31, 2005	Dec 31, 2004
Gross deferred tax assets:		
Change in Sec. 846 P & C Discounted Reserves	\$2,335	\$939
Provision for doubtful accounts	344,450	340,403
Contingency Reserves	40,263	0
Investment basis difference	0	510
Total gross deferred tax assets	387,048	341,852
Non admitted assets	(238,957)	0
Admitted deferred tax assets	148,091	341,852
Deferred tax liabilities:		
Bond Discount Amortization	(468)	0
Other, net	0	0
Total deferred tax liabilities	(468)	0
Net deferred tax assets	\$147,623	\$341,852

**NOTES TO FINANCIAL STATEMENTS**

The changes in the components of deferred tax assets and deferred tax liabilities at December 31 are as follows:

	Dec 31, 2005	Dec 31, 2004	Change
Total deferred tax assets	\$387,048	\$341,852	\$45,196
Total deferred tax liabilities	(468)	0	(468)
Net deferred tax	386,580	341,852	44,728
Tax effect of unrealized (gains)/losses	0	0	0
Change in net deferred tax	\$386,580	\$341,852	\$44,728

D. The Company’s income tax expense and change in deferred taxes differs from the amount obtained by applying the federal statutory rate of 35% for the year ended December 31 for the following reasons:

	Dec 31, 2005	Effective Rate	Dec 31, 2004	Effective Rate
Tax provision based on the federal statutory rate	\$4,645,565	35.0%	\$3,697,640	35.0%
Change in reserves for tax uncertainties	0	0.0%	796,733	7.5%
Other, net	0	0.0%	20,683	0.2%
Federal income taxes incurred	4,645,565	35.0%	4,515,056	42.7%
Change in net deferred income taxes	(44,728)	-0.3%	(195,719)	-1.9%
Change in statutory nonadmitted	4,771	0.0%	178,344	1.7%
Other adjustments	(275,284)	-2.1%	0	0.0%
Effective tax rate	\$4,330,324	32.6%	\$4,497,681	42.6%

E. Operating loss carryforwards:

- 1. The Company has no operating loss carryforwards and no tax credit carryforwards as of December 31, 2005.
- 2. The following are income taxes incurred in the current and prior year that will be available for recoupment in the event of future net losses:

2005	\$4,457,154
2004	\$4,497,681

F. (1) The Company is included in the federal income tax return of WellPoint, Inc. and is consolidated with the following entities:

AdminaStar Federal, Inc.	Insurance4 Agency, Inc.
Affiliated Healthcare, Inc.	Lease Partners, Inc.
Affiliated Provider Systems, Inc.	Lumenos, Inc.
AHI Healthcare Corporation	Lumenos TPA of Nevada
American Managing Company	Machigonne, Inc.
Anthem Blue Cross Blue Shield Partnership Plan, Inc.	Matthew Thornton Health Plan, Inc.
Anthem East, Inc.	Monticello Service Agency, Inc.
Anthem Financial, Inc.	National Capital Health Plan, Inc.
Anthem Health Plans of Kentucky, Inc.	National Capital Preferred Provider Organization, Inc.
Anthem Health Plans of Maine, Inc.	Northeast Consolidated Services, Inc.
Anthem Health Plans of New Hampshire, Inc.	OneNation Benefit Administrators, Inc.
Anthem Health Plans of Virginia, Inc.	OneNation Insurance Company
Anthem Health Plans, Inc.	Park Square Holdings
Anthem Holding Corp.	Park Square I
Anthem Insurance Companies, Inc.	Park Square II
Anthem Midwest, Inc.	Precision RX, Inc.
Anthem Southeast, Inc.	Preferred Health Plans of Missouri, Inc.
Anthem UM Services, Inc.	Priority Healthcare, Inc.
Anthem West, Inc.	Priority Insurance Agency, Inc.
Arcus Enterprises, Inc.	Priority, Inc.
Arcus Healthyliving Services, Inc.	Professional Claim Services, Inc.
Arcus Financial Services, Inc.	R & P Realty, Inc.
Arison Insurance Services, Inc.	Reliance Safeguard Solutions, Inc.
Associated Group, Inc.	RightCHOICE Insurance Company
BC Life & Health Insurance Company	RightCHOICE Managed Care, Inc.
BCC Holding Corporation	Rocky Mountain Health Care Corporation
Blue Cross and Blue Shield of Georgia, Inc.	Rocky Mountain Hospital and Medical Service, Inc.
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	Southeast Services, Inc.
Blue Cross Blue Shield of Wisconsin	SellCore, Inc.
Blue Cross of California	Texas Managed Care Administrative Services, Inc.
Blue Cross of California Partnership Plan, Inc.	The WellPoint Companies, Inc.

**NOTES TO FINANCIAL STATEMENTS**

C & S Properties, Inc.	Trigon Health and Life Insurance Company
Cerulean Companies, Inc.	TriState, Inc
CIMS Agency, Inc.	UNICARE Health Benefit Services of Texas, Inc.
Claim Management Services, Inc.	UNICARE Health Insurance Company of Texas
Community Insurance Company	UNICARE Health Insurance Company of the Midwest, Inc.
Compcare Health Services Insurance Corporation	UNICARE Health Plan of West Virginia, Inc.
Comprehensive Integrated Marketing Services, Inc.	UNICARE Health Plans of Georgia, Inc.
Congress Acquisition Corp	UNICARE Health Plans of Oklahoma, Inc.
Cost Care, Inc.	UNICARE Health Plans of Texas, Inc.
Crossroads Acquisition Corp.	UNICARE Health Plans of the Midwest, Inc.
CSRA Healthcare Partners, Inc.	UNICARE Health Plans of Virginia, Inc.
Diversified Life Insurance Agency of Missouri, Inc.	UNICARE Illinois Services, Inc.
EHC Benefits Agency, Inc.	UNICARE Life & Health Insurance Company
Empire HealthChoice Assurance, Inc.	UNICARE National Services, Inc.
Empire HealthChoice HMO, Inc.	UNICARE of Texas Health Plans, Inc.
Empire Medicare Services, Inc.	UNICARE Services Company
Forty-Four Forty-Four Forest Park Redevelopment Corporation	UNICARE Specialty Services, Inc.
Golden West Health Plan, Inc.	United Heartland Life Insurance Company
Group Benefits of Georgia, Inc.	United Wisconsin Insurance Company
Group Benefits Plus, Inc.	Unity Health Plans Insurance Corporation
Health Core, Inc.	Valley Health Plan, Inc.
Health Initiatives, Inc.	WellPoint, Inc.
Health Management Corporation	WellChoice Holdings of New York, Inc.
Health Management Systems, Inc.	WellChoice Insurance of New Jersey, Inc.
Healthkeepers, Inc.	WellPoint Association Services Group, Inc.
HealthLink HMO, Inc.	WellPoint Behavioral Health, Inc.
HealthLink, Inc.	WellPoint California Services, Inc.
HealthReach Services, Inc.	WellPoint Dental Services, Inc.
Healthy Alliance Life Insurance Company	WellPoint Development Company, Inc.
Healthy Homecomings, Inc.	WellPoint Holding Corp
HMO Colorado, Inc.	WellPoint Pharmacy IPA, Inc.
HMO Missouri, Inc.	WellPoint Pharmacy Management, Inc.
HMO-W, Inc.	

(2) The tax sharing agreements provide that federal income tax is allocated between the companies based on the Company’s separate return calculations with credit for net losses that can be used on a consolidated basis.

**10. Information Concerning Parent, Subsidiaries and Affiliates**

**A. Nature of the relationship**

The Company is a Missouri domiciled stock insurance company and is a wholly-owned subsidiary of HealthLink, Inc., which is a wholly-owned subsidiary of RightCHOICE Managed Care, Inc., which is a wholly-owned subsidiary of Anthem Holding Corp. Anthem Holding Corp. is a wholly-owned subsidiary of WellPoint, Inc. (“WellPoint”). WellPoint, formerly known as Anthem, Inc. (“Anthem”), is a publicly traded company.

On November 30, 2004, Anthem and WellPoint Health Networks Inc. (“WHN”) completed their merger. WHN merged with and into Anthem Holding Corp., a direct and wholly-owned subsidiary of Anthem, with Anthem Holding Corp. as the surviving entity in the merger. In connection with the merger, Anthem amended its articles of incorporation to change its name to WellPoint, Inc.

On December 28, 2005, WellPoint completed its acquisition of WellChoice, Inc. (“WellChoice”). Under the merger agreement, WellChoice stockholders received \$38.25 in cash and .5191 of a share of WellPoint common stock for each share of WellChoice common stock outstanding. WellChoice merged with and into WellPoint Holding Corp., a directly and wholly-owned subsidiary of WellPoint, with WellPoint Holding Corp. as the surviving entity in the merger.

**B. Significant transactions for each Period**

The following significant transaction took place between the Company and its affiliates:

The Company declared an extraordinary dividend of \$20,000,000 on December 15, 2005. The DOI approved the dividend request on December 27, 2005. The Company paid the dividend on December 30, 2005.

**C. Intercompany Management and Service Arrangements**

There were no changes to the intercompany management and service arrangements. The amounts of transactions under such agreements are presented in Schedule Y.

**D. Amounts Due to or from Related Parties**

**NOTES TO FINANCIAL STATEMENTS**

At December 31, 2005, the Company reported \$716,815 due from affiliates and \$38,695 due to affiliates, respectively. Both the receivable and payable are current items generated in 2005 and will be settled in 2006 in accordance with the intercompany agreements.

**E. Guarantees or Contingencies for Related Parties**

The Company did not enter into guarantees or undertakings for the benefit of an affiliate, which would result in a material contingent exposure of the Company's or any affiliated insurers' assets or liabilities.

**F. Management, Service Contracts, Cost Sharing Arrangements**

The Company has entered into an Administrative Services Agreement with its affiliated companies. Pursuant to this agreement, office space and various administrative, management and support services are provided to the Company. These expenses are allocated to and paid by the Company in an amount equal to the direct and indirect costs and expenses incurred in furnishing these services.

**G. Nature of Relationships that Could Affect Operations**

All outstanding shares of the Company are owned by HealthLink, Inc. The Company's ultimate parent is WellPoint, Inc.

**H. Amount Deducted for Investment in Upstream Company**

The Company and its subsidiaries does not own any investments in any upstream parent companies or in WellPoint, their ultimate parent.

**I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets**

The Company does not own any investments in affiliates.

**J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies**

There were no impairments of investments in subsidiaries, controlled or affiliated companies during the years ended December 31, 2005 and 2004.

**11. Debt**

The Company had no capital notes or other debt outstanding at December 31, 2005 and 2004.

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

**A. Defined Benefit Plan**

Not applicable –See Note 12D.

**B. Defined Contribution Plan**

Not applicable –See Note 12D.

**C. Multiemployer Plan**

Not applicable –See Note 12D.

**D. Consolidated/Holding Company Plans**

Anthem Holding Corp. sponsors a noncontributory defined benefit pension plan (the "Plan") covering substantially all Company employees. The Plan was frozen effective December 31, 2003. Employees who were age 50 and over, with combined age and service totaling 65 or higher as of December 31, 2003 continue to earn future contributions based on compensation under the Plan. For other employees, the funds in their pension account earned through December 31, 2003 continue to earn interest. However, there have been no additional contributions based on the employee's earnings after December 31, 2003. Once the employee becomes vested the employee is eligible to receive a benefit from the Plan at retirement or termination based on his or her account balance as of December 31, 2003 plus accrued interest. Employees hired after December 31, 2003 are not eligible to participate in the Plan. Plan assets are invested primarily in pooled income funds. Pension expense under the Plan is allocated to the Company based on the number of allocated employees, which management believes to be a reasonable and appropriate method of allocation. The Company has no legal obligation for the benefits under this plan.

**NOTES TO FINANCIAL STATEMENTS**

Anthem Holding Corp. has several qualified defined contribution plans covering substantially all employees. Eligible employees may only participate in one plan. Depending upon the plan, voluntary employee contributions are matched by Anthem Holding Corp. subject to certain limitations. Anthem Holding Corp. allocates to the Company a share of the cost of the plans. Company has no legal obligation for benefits under this plan.

**E. Post Employment Benefits and Compensated Absences**

Please see Note 12D above. Liabilities for earned not yet taken vacation and severance benefits have been accrued in accordance with NAIC SAP.

**13. Capital and Surplus, Shareholders Dividend Restrictions and Quasi-Reorganizations**

**(1) Outstanding Shares**

The Company has 300 shares of \$100 par value common stock authorized, and 10 shares issued and outstanding.

**(2) Dividend Rate of Preferred Stock**

The Company has no preferred stock.

**(3) Dividend Restrictions**

Dividends are not cumulative. Missouri insurance laws and regulations provide certain restrictions on the payment of dividends by insurers in a holding company structure. It shall not be lawful for the directors, trustees or managers of any insurance company to make any dividend, except from the surplus profits arising from their business, nor for any company to solicit or do new business, when its assets are less than three-fourths of its liabilities. If the aggregate amount of the payments and other distributions made to shareholders and declared as dividends during a calendar year exceeds one-half percent of the policyholders' surplus, then all of the payments and distributions are fully subject to the rule, including amounts that would otherwise be exempt. In addition, the distribution of an extraordinary dividend and payment of a dividend from other than earned surplus requires the approval of the Director of the Missouri Department of Insurance.

Surplus profits is defined as the amount stated in the company's financial statements as unassigned funds. A company has surplus profits only to the extent it has positive unassigned funds adjusted as allowed by regulation, if applicable. An extraordinary dividend is defined as one that exceeds the greater of 10 percent of the insurer's surplus as regards policyholders as of the 31st day of December next preceding, or the net gain from operations of the insurer, if the insurer is a life insurer, or the net investment income, if the insurer is a title insurer, for the twelve month period ending the thirty-first day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities. For all other insurers, such amount exceeds the lesser of 10 percent of the insurer's surplus as regards policyholders as of the 31st day of December next preceding, or the net investment income for the twelve month period ending the 31st day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Missouri. For 2006, the maximum dividend payment which will be allowed to be made without prior approval is \$816,913.

**(4) Maximum Ordinary Dividend for 2006**

Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

**(5) Unassigned Surplus Restrictions**

Unassigned surplus funds are not restricted.

**(6) Mutual Surplus Advances**

There have been no advances to surplus.

**(7) Company Stock Held for Special Purpose**

There are no shares of stock held for special purposes.

**(8) Changes in Special Surplus Funds**



**NOTES TO FINANCIAL STATEMENTS**

There are no changes in Special Surplus Funds.

**(9) Changes in Unassigned Funds**

Unassigned surplus has not been increased or (reduced) by unrealized gains and losses.

**(10) Surplus Notes**

The Company has not issued any surplus notes or debentures or similar obligations.

**(11) Restatement due to Prior Quasi-reorganizations**

The Company had no restatements due to prior quasi-reorganizations.

**(12) Quasi-reorganizations over Prior 10 Years**

The Company has not been involved in any quasi-reorganization during the past 10 years.

**14. Contingencies**

**A. Contingent Commitments**

The Company has no contingent commitments.

**B. Guaranty Fund and Other Assessments**

Not applicable.

**C. Gain Contingencies**

The Company has no gain contingencies.

**D. All Other Contingencies**

A number of managed care organizations, including the Company's ultimate parent WellPoint and its Blue Cross and Blue Shield affiliates and other health insurance subsidiaries, were part of purported class action lawsuits asserting various causes of action under federal and state law including violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"). These lawsuits were consolidated to U. S. District Court for the Southern District of Florida, under Multi-District Litigation ("MDL") rules. The plaintiffs are doctors, osteopaths, other professional providers, and several state medical societies.

On July 11, 2005, WellPoint entered into a settlement agreement (the "Agreement") with representatives of more than 700,000 physicians nationwide to resolve the MDL cases brought by those physicians. Under the Agreement, WellPoint has agreed to make cash payments to physicians and to a not-for-profit foundation. WellPoint also agreed to pay certain legal fees to be determined by the court. The Agreement was subject to, and conditioned upon, review and approval by the U. S. District Court for the Southern District of Florida. Final approval of the Agreement was obtained on January 4, 2006 in Miami, Florida. Appeals have been filed by certain physicians.

As a result of the Agreement, the Company incurred pre-tax benefit expense of \$72,109 and general and administrative expense of \$45,172 which represents the Company's portion of the final settlement amount of the Agreement that was not previously accrued.

In addition to the above, the Company is involved in other pending and threatened litigation of the character incidental to the business transacted and is from time to time involved as a party in various governmental and administrative proceedings. The Company believes that any liability that may result from any one of these actions is unlikely to have a material adverse effect on our financial position or results of operations.

**15. Leases**

The Company does not have any leasing arrangements.

**16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

The Company has no financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the

**NOTES TO FINANCIAL STATEMENTS**

board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2005, there were no significant concentrations.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

**A. Transfers of Receivables Reported as Sales**

Not Applicable.

**B. Transfer and Servicing of Financial Assets**

Not Applicable.

**C. Wash Sales**

- 1. In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.
- 2. There were no wash sales involving securities with a NAIC designation of 3 or below or unrated.

**18. Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans**

**A. ASO Plans**

The gain or loss from Administrative Services Only ("ASO") uninsured plans and the uninsured portion of partially insured plans for 2005 was as follows:

	ASO Uninsured Plans	Uninsured Portion of Insured Plans	Total ASO
a) Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$13,057,546	\$ -	\$13,057,546
b) Total net other income or expense (including interest paid to or received by plans)	-	-	-
c) Total net gain or loss from operations	\$13,057,546	\$ -	\$13,057,546
d) Claim payment volume	41,565,455	-	41,565,455

**B. ASC Plans**

The Company has no administrative services contract plans.

**C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

Not applicable.

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2005 and 2004.

**20. September 11 Events**

Not applicable.

**21. Other Items**

**A. Extraordinary Items**

Not applicable.

**B. Troubled Debt Restructuring**

**NOTES TO FINANCIAL STATEMENTS**

Not applicable.

**C. Other Disclosures**

Assets in the amount of \$1,190,875 and \$1,192,000 at December 31, 2005 and 2004, respectively, were on deposit with government authorities or trustees as required by law.

**D. Uncollectible Premiums Receivables**

At December 31, 2005 and 2004, the Company reported admitted assets of \$219,898 and \$344,714 respectively in premium receivables due from policyholders and agents and receivables for uninsured plans and amounts due from providers and subscribers. Based upon Company experiences, all premiums receivable have been collectible and, therefore, no provision for uncollectible amounts or nonadmitted assets have been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

**E. Business Interruption Insurance Recoveries**

The Company has reported no recoveries for business interruption for the years ended December 31, 2005 and 2004.

**22. Events Subsequent**

There were no events occurring subsequent to December 31, 2005 requiring disclosure.

**23. Reinsurance**

**A. Ceded Reinsurance Report**

The Company has no ceded reinsurance.

**B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance.

**C. Commutation of Ceded Reinsurance**

The Company has not commuted any ceded reinsurance during the year.

**24. Retrospectively Rated Contracts**

The Company has no retrospectively rated contracts.

**25. Change in Incurred Losses and Loss Adjustment Expenses**

The estimated cost of claims and claims adjustment expense attributable to insured events of the prior year decreased by \$4,288 during 2005. This is approximately 2.6% of unpaid claims and claims adjustment expenses of \$166,919 as of December 31, 2004. The redundancy reflects the increases or decreases in estimated claims and claims adjustment expenses as a result of claims payments during the year, and as additional information is received regarding claims incurred prior to 2005. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and unpaid claims adjustment expenses.

**26. Intercompany Pooling Arrangements**

Not applicable.

**27. Structured Settlements**

Not applicable.

**28. Health Care Receivables**

**A. Pharmaceutical Rebate Receivables**

Not applicable.

**B. Risk Sharing Receivables**

Not applicable.

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**NOTES TO FINANCIAL STATEMENTS**

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**29. Participating Policies**

Not applicable.

**30. Premium Deficiency Reserves**

The Company has no premium deficiency reserves at December 31, 2005 and 2004.

**31. Anticipated Salvage and Subrogation**

The Company has no anticipated salvage and subrogation.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	432,000	3.6	432,000	3.6
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....		0.0		0.0
1.22 Issued by U.S. government sponsored agencies.....	758,875	6.3	758,875	6.3
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....		0.0		0.0
1.43 Revenue and assessment obligations.....		0.0		0.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA.....		0.0		0.0
1.512 Issued or guaranteed by FNMA and FHLMC.....		0.0		0.0
1.513 All other.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....		0.0		0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521.....		0.0		0.0
1.523 All other.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....		0.0		0.0
2.2 Unaffiliated foreign securities.....		0.0		0.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
4.6 Mezzanine real estate loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....		0.0		0.0
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....		0.0		0.0
6. Contract loans.....		0.0		0.0
7. Receivables for securities.....		0.0		0.0
8. Cash, cash equivalents and short-term investments.....	10,899,592	90.2	10,899,592	90.2
9. Other invested assets.....		0.0		0.0
10. Total invested assets.....	12,090,467	100.0	12,090,467	100.0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ ]

No ☐ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ ]

No ☐ ]

N/A ☐ ]

1.3

State regulating?

Missouri

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ ]

No ☐ [ X ]

2.2

If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

N/A

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2004

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.  
This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2004

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/23/2005

3.4

By what department or departments?

Missouri Department of Insurance

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ ] No ☐ [ X ]

4.12 renewals? Yes ☐ ] No ☐ [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ ] No ☐ [ X ]

4.22 renewals? Yes ☐ ] No ☐ [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ ] No ☐ [ X ]

5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Co. Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ ]

No ☐ [ X ]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ ]

No ☐ [ X ]

7.2

If yes,

7.21 State the percentage of foreign control.

.....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ ]

No ☐ [ X ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ ]

No ☐ [ X ]

8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young, LLP. 875 East Wisconsin Ave, Milwaukee, WI 53202

10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Cynthia S. Miller, Vice President and Corporate Actuary, FSA, MAAA  
120 Monument Circle, Indianapolis, IN 46204

11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ☐ ]

No ☐ [ X ]

11.11

Name of real estate holding company:

11.12

Number of parcels involved

11.13

Total book/adjusted carrying value

11.2

If yes, provide explanation.

12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes ☐ ]

No ☐ ]

12.3

Have there been any changes made to any of the trust indentures during the year?

Yes ☐ ]

No ☐ ]

12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes ☐ ]

No ☐ ]

N/A ☐ ]

BOARD OF DIRECTORS

13.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes ☒ X ]

No ☐ ]

14.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes ☒ X ]

No ☐ ]

15.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

of such person?

Yes [ X ]      No [   ]

FINANCIAL

16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11 To directors or other officers \$.....0

16.12 To stockholders not officers \$.....0

16.13 Trustees, supreme or grand (Fraternal only) \$.....0

16.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21 To directors or other officers \$.....0

16.22 To stockholders not officers \$.....0

16.23 Trustees, supreme or grand (Fraternal only) \$.....0

17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [   ]      No [ X ]

17.2 If yes, state the amount thereof at December 31 of the current year:

17.21 Rented from others \$.....0

17.22 Borrowed from others \$.....0

17.23 Leased from others \$.....0

17.24 Other \$.....0

18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [   ]      No [ X ]

18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment \$.....0

18.22 Amount paid as expenses \$.....0

18.23 Other amounts paid \$.....0

19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ X ]      No [   ]

19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

\$.....706,635

INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 3-Special Deposits?

Yes [ X ]      No [   ]

20.2 If no, give full and complete information relating thereto.

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 3-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1)

Yes [   ]      No [ X ]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Loaned to others .....

21.22 Subject to repurchase agreements .....

21.23 Subject to reverse repurchase agreements .....

21.24 Subject to dollar repurchase agreements .....

21.25 Subject to reverse dollar repurchase agreements .....

21.26 Pledged as collateral .....

21.27 Placed under option agreements .....

21.28 Letter stock or securities restricted as to sale .....

21.29 Other .....

21.3 For category (21.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
		.....

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [   ]      Yes [   ]      No [ X ]

No [   ]      No [   ]      N/A [ X ]

If no, attach a description with this statement.

23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [   ]      No [ X ]

23.2 If yes, state the amount thereof at December 31 of the current year:

.....

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ X ]      No [   ]

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
Mellon Bank, NA	One Mellon Center, Pittsburgh, PA 15258

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes [   ]      No [ X ]

24.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?

Yes [   ]      No [ X ]

25.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adj.Carrying Value
25.2999. TOTAL		0

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

25.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds.....	.....4,672,764	.....4,656,136	.....(16,628)
26.2 Preferred stocks.....	.....	.....	.....0
26.3 Totals.....	.....4,672,764	.....4,656,136	.....(16,628)

26.4 Describe the sources or methods utilized in determining the fair values:  
Fair Values were obtained from a third-party pricing source, Mellon Bank.  
If a security was not priced by the third-party pricing source, internal analytical systems or broker quotes were utilized.

27.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [ X ] No [ ]

27.2 If no, list exceptions:

**OTHER**

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.0

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid

29.1 Amount of payments for legal expenses, if any? \$.0

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.0

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid



GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ☐ ]

No [ ☒ ]

1.2

If yes, indicate premium earned on U.S. business only

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

1.62

Total incurred claims

1.63

Number of covered lives

All years prior to most current three years:

1.64

Total premium earned

1.65

Total incurred claims

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

1.72

Total incurred claims

1.73

Number of covered lives

All years prior to most current three years:

1.74

Total premium earned

1.75

Total incurred claims

1.76

Number of covered lives

2.

Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	2,350,370	4,495,069
2.2 Premium Denominator.....	2,350,370	4,495,069
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	132,893	166,919
2.5 Reserve Denominator.....	132,893	166,919
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ☐ ]

No [ ☒ ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes [ ☒ ]

No [ ☐ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ☐ ]

No [ ☒ ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ ☐ ]

No [ ☒ ]

5.2

If no, explain:

The Company's business model does not have insurance risk.

5.3

Maximum retained risk (see instructions):

5.31

Comprehensive medical

\$.....0

5.32

Medical only

\$.....0

5.33

Medicare supplement

\$.....0

5.34

Dental

\$.....0

5.35

Other limited benefit plan

\$.....0

5.36

Other

\$.....0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

All HealthLink HMO provider agreements include Hold Harless provisions that prohibit pursuit of collection activities against HMO members for HMO covered services. Health Plan is also a member of the Missouri Guaranty Association.

7.1

Does the reporting entity set up its claim liability for provider services on a service date base?

Yes [ ☒ ]

No [ ☐ ]

7.2

If no, give details:

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

.....17,747

8.2

Number of providers at end of reporting year

.....19,631

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ☐ ]

No [ ☒ ]

9.2

If yes, direct premium earned:

9.21

Business with the rate guarantees between 15-36 months

9.22

Business with rate guarantees over 36 months

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts?

Yes [ ☒ ]

No [ ☐ ]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$.....0

10.22

Amount actually paid for year bonuses

\$.....0

10.23

Maximum amount payable withholds

\$.....46,927

10.24

Amount actually paid for year withholds

\$.....117,736

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [ ☐ ]

No [ ☒ ]

**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH INTERROGATORIES**

11.13 An Individual Practice Association (IPA), or

11.14 A Mixed Model (combination of above)?

Yes [ ☐ ]

No [ ☒ ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [ ☐ ]

No [ ☒ ]

11.3 If yes, show the name of the state requiring such net worth.

Missouri

11.4 If yes, show the amount required.

\$.....150,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ☐ ]

No [ ☒ ]

11.6 If the amount is calculated, show the calculation:

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
ADAIR, MO; AUDRAIN, MO; BARRY, MO; CALLAWAY, MO;
CHARITION, MO; CHRISTIAN, MO; CLARK, MO; COLE, MO;
COOPER, MO; CRAWFORD, MO; MADE, MO; DOUGLAS, MO;
DUNKLIN, MO; FRANKLIN, MO GASCONDE, MO; GREENE, MO;
HOWARD, MO; IRON, MO; JASPER, MO JEFFERSON, MO;
KNOW, MO; LACLEDE, MO; LAWRENCE, MO; LEWIS, MO;
LINCOLN, MO; LINN, MO; MACON, MO; MADISON, MO;
MARRIES, MO; MCDONALD, MO; MILLER, MO;
MONITEAU, MO; MONROE, MO; MONTGOMERY, MO;
NORGAN, MO; NEW MADRID, MO; NEWTON, MO;
OSAGE, MO; PEMISCOT, MO; PERRY, MO; PIKE, MO;
PUTNAM, MO; RANDOLPH, MO; SCHUYLER, MO;
ST. CHARLES, MO; ST. FRANCOIS, MO; ST. LOUIS CITY, MO;
ST. LOUIS, MO; STE GENEVIEVE, MO; STONE, MO;
SULLIVAN, MO; WARREN, MO; WASHINGTON, MO;
WEBSTER, MO; WRIGHT, MO

FIVE-YEAR HISTORICAL DATA

	1 2005	2 2004	3 2003	4 2002	5 2001
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26).....	15,395,259	26,610,532	26,709,124	24,535,300	19,907,086
2. Total liabilities (Page 3, Line 22).....	644,122	621,517	575,757	381,433	5,132,002
3. Statutory surplus.....				2,499,000	2,499,000
4. Total capital and surplus (Page 3, Line 31).....	14,751,137	25,989,015	26,133,366	24,153,867	14,775,084
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	17,745,853	16,873,059	21,497,605	13,686,141	17,078,222
6. Total medical and hospital expenses (Line 18).....	2,735,258	3,841,757	6,639,742	2,057,960	2,056,270
7. Claims adjustment expenses (Line 20).....	236,851	143,343			
8. Total administrative expenses (Line 21).....	1,914,678	2,904,162	3,797,449	3,244,951	8,115,352
9. Net underwriting gain (loss) (Line 24).....	12,859,066	9,983,797	11,060,414	8,383,230	6,906,600
10. Net investment gain (loss) (Line 27).....	555,005	580,891	367,233	292,887	537,111
11. Total other income (Lines 28 plus 29).....					
12. Net income or (loss) (Line 32).....	8,942,720	6,067,007	7,425,274	5,680,883	7,443,711
<b>Risk-Based Capital Analysis</b>					
13. Total adjusted capital.....	14,751,137	25,989,015	26,133,366	24,153,867	14,775,084
14. Authorized control level risk-based capital.....	758,508	760,949	950,549	753,833	788,306
<b>Enrollment (Exhibit 1)</b>					
15. Total members at end of period (Column 5, Line 7).....	10,219	15,076	24,525	14,431	11,903
16 Total member months (Column 6, Line 7).....	109,055	182,581	295,993	172,377	150,447
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100</b>					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Line 18 plus Line 19)....	116.4	85.5	93.5	49.6	52.1
19. Cost containment expenses.....	10.1	3.2	XXX	XXX	XXX
20. Other claims adjustment expenses.....		3.2			
21. Total underwriting deductions (Line 23).....	207.9	153.3	146.9	127.9	257.9
22. Total underwriting gain (loss) (Line 24).....	547.1	222.1	155.7	202.2	175.1
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
23. Total claims incurred for prior years (Line 13 Col. 5).....	162,631	228,365	(15,708)	71,195	67,558
24. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	166,919	228,365	102,159	48,601	89,152
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
25. Affiliated bonds (Sch. D Summary, Line 25, Col. 1).....					
26. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1).....					
27. Affiliated common stocks (Sch D. Summary, Line 53, Col. 2).....					
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11).....					
29. Affiliated mortgage loans on real estate.....					
30. All other affiliated.....					
31. Total of above Lines 25 to 30.....	0	0	0	0	0

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States.....	1,190,875	1,174,100	1,189,538	1,192,000
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	1,190,875	1,174,100	1,189,538	1,192,000
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
Public Utilities (Unaffiliated)	17. United States.....				
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....				
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. Total Bonds.....	1,190,875	1,174,100	1,189,538	1,192,000
PREFERRED STOCKS Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. Total Preferred Stocks.....	0	0	0	
COMMON STOCKS Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. Total Common Stocks.....	0	0	0	
	55. Total Stocks.....	0	0	0	
	56. Total Bonds and Stocks....	1,190,875	1,174,100	1,189,538	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	14,931,487	7. Amortization of premium.....	899
2. Cost of bonds and stocks acquired, Column 7, Part 3.....		8. Foreign exchange adjustment:	
3. Accrual of discount.....	5,933	8.1 Column 15, Part 1.....	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1.....	
4.1 Columns 12 - 14, Part 1.....		8.3 Column 16, Part 2, Section 2.....	
4.2 Columns 15 - 17, Part 2, Section 1.....		8.4 Column 15, Part 4.....	0
4.3 Column 15, Part 2, Section 2.....		9. Book/adjusted carrying value at end of current period.....	1,190,876
4.4 Columns 11 - 13, Part 4.....	0	10. Total valuation allowance.....	
5. Total gain (loss), Column 19, Part 4.....	(402,935)	11. Subtotal (Lines 9 plus 10).....	1,190,876
6. Deduct consideration for bonds and stocks disposed of, Column 7, Part 4....	13,342,710	12. Total nonadmitted amounts.....	
		13. Statement value of bonds and stocks, current year.....	1,190,876

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	2	Direct Business Only					
				3	4	5	6	7	8
State, Etc.		Guaranty Fund (YES or NO)	Is Insurer Licensed? (YES or NO)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama.....AL	..NO	..NO						
2.	Alaska.....AK	..NO	..NO						
3.	Arizona.....AZ	..NO	..NO						
4.	Arkansas.....AR	..NO	..YES	232,553					
5.	California.....CA	..NO	..NO						
6.	Colorado.....CO	..NO	..NO						
7.	Connecticut.....CT	..NO	..NO						
8.	Delaware.....DE	..NO	..NO						
9.	District of Columbia.....DC	..NO	..NO						
10.	Florida.....FL	..NO	..NO						
11.	Georgia.....GA	..NO	..NO						
12.	Hawaii.....HI	..NO	..NO						
13.	Idaho.....ID	..NO	..NO						
14.	Illinois.....IL	..YES	..YES						
15.	Indiana.....IN	..NO	..NO						
16.	Iowa.....IA	..NO	..NO						
17.	Kansas.....KS	..NO	..NO						
18.	Kentucky.....KY	..NO	..NO						
19.	Louisiana.....LA	..NO	..NO						
20.	Maine.....ME	..NO	..NO						
21.	Maryland.....MD	..NO	..NO						
22.	Massachusetts.....MA	..NO	..NO						
23.	Michigan.....MI	..NO	..NO						
24.	Minnesota.....MN	..NO	..NO						
25.	Mississippi.....MS	..NO	..NO						
26.	Missouri.....MO	..NO	..YES	2,117,817					
27.	Montana.....MT	..NO	..NO						
28.	Nebraska.....NE	..NO	..NO						
29.	Nevada.....NV	..NO	..NO						
30.	New Hampshire.....NH	..NO	..NO						
31.	New Jersey.....NJ	..NO	..NO						
32.	New Mexico.....NM	..NO	..NO						
33.	New York.....NY	..NO	..NO						
34.	North Carolina.....NC	..NO	..NO						
35.	North Dakota.....ND	..NO	..NO						
36.	Ohio.....OH	..NO	..NO						
37.	Oklahoma.....OK	..NO	..NO						
38.	Oregon.....OR	..NO	..NO						
39.	Pennsylvania.....PA	..NO	..NO						
40.	Rhode Island.....RI	..NO	..NO						
41.	South Carolina.....SC	..NO	..NO						
42.	South Dakota.....SD	..NO	..NO						
43.	Tennessee.....TN	..NO	..NO						
44.	Texas.....TX	..NO	..NO						
45.	Utah.....UT	..NO	..NO						
46.	Vermont.....VT	..NO	..NO						
47.	Virginia.....VA	..NO	..NO						
48.	Washington.....WA	..NO	..NO						
49.	West Virginia.....WV	..NO	..NO						
50.	Wisconsin.....WI	..NO	..NO						
51.	Wyoming.....WY	..NO	..NO						
52.	American Samoa.....AS	..NO	..NO						
53.	Guam.....GU	..NO	..NO						
54.	Puerto Rico.....PR	..NO	..NO						
55.	U.S. Virgin Islands.....VI	..NO	..NO						
56.	Canada.....CN	..NO	..NO						
57.	Aggregate Other alien.....OT	..XXX	..XXX	0	0	0	0	0	0
58.	Subtotal.....	..XXX	..XXX	2,350,370	0	0	0	0	0
59.	Reporting entity contributions for Employee Benefit Plans.....	..XXX	..XXX						
60.	Total (Direct Business).....	..XXX	(a).....3	2,350,370	0	0	0	0	0

DETAILS OF WRITE-INS									
5701.	.....								
5702.	.....								
5703.	.....								
5798.	Summary of remaining write-ins for line 57 from overflow page.....	0	0	0	0	0	0	0	0
5799.	Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	0	0	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE T - PART 2**

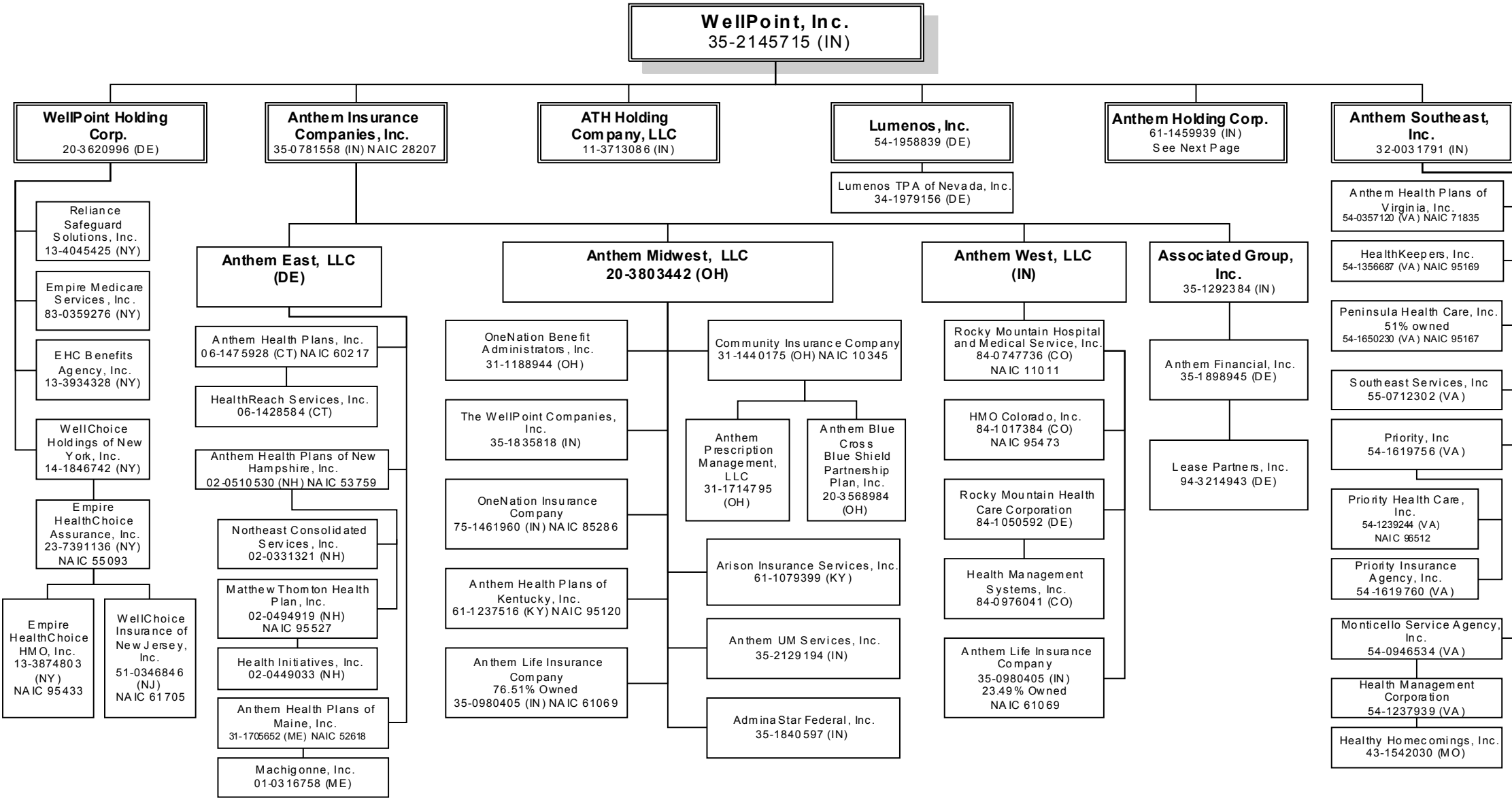
**INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

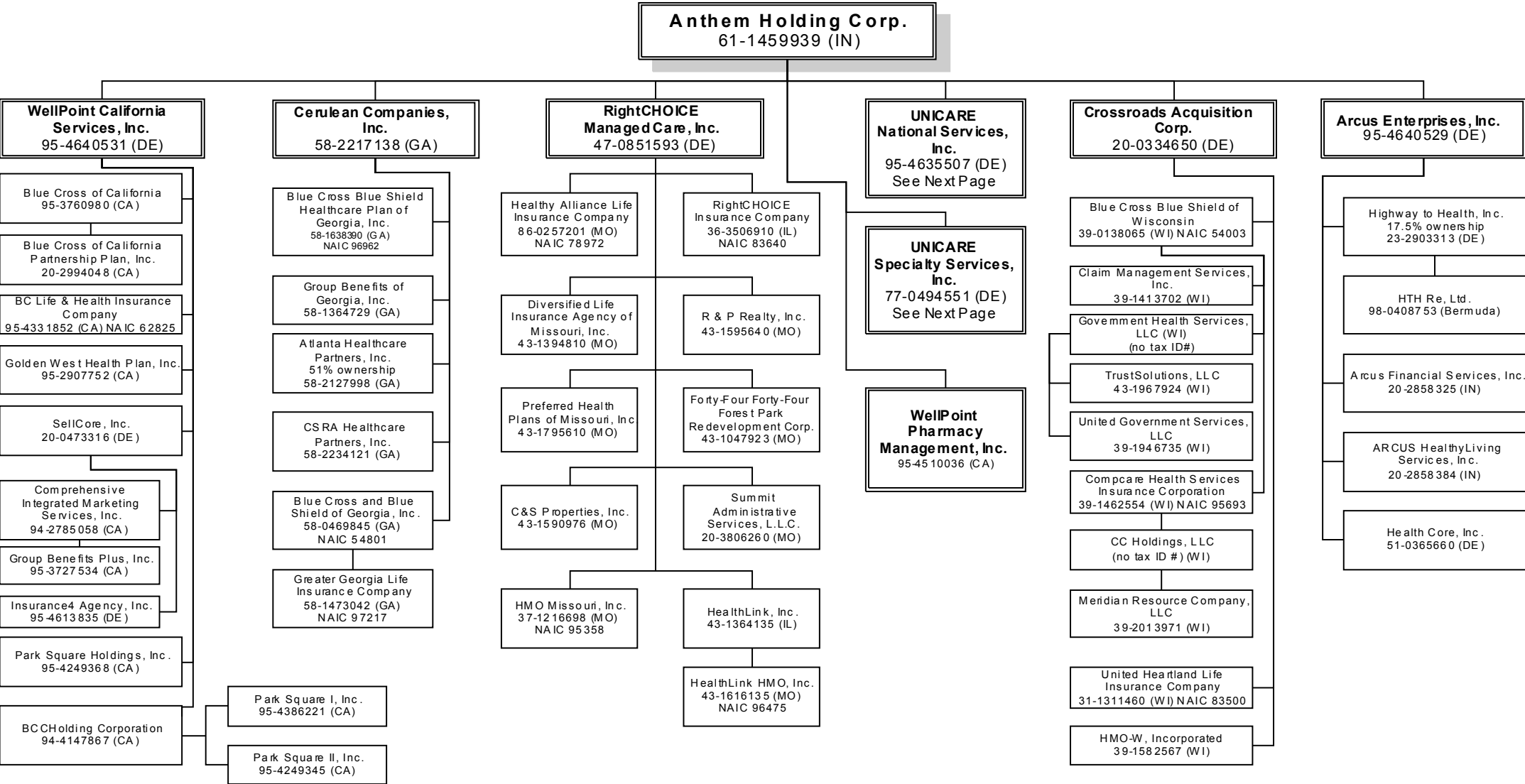
States, Etc.			Direct Business Only				6	
			1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)		5 Deposit-Type Contracts
1.	Alabama.....	AL						.0
2.	Alaska.....	AK						.0
3.	Arizona.....	AZ						.0
4.	Arkansas.....	AR						.0
5.	California.....	CA						.0
6.	Colorado.....	CO						.0
7.	Connecticut.....	CT						.0
8.	Delaware.....	DE						.0
9.	District of Columbia.....	DC						.0
10.	Florida.....	FL						.0
11.	Georgia.....	GA						.0
12.	Hawaii.....	HI						.0
13.	Idaho.....	ID						.0
14.	Illinois.....	IL						.0
15.	Indiana.....	IN						.0
16.	Iowa.....	IA						.0
17.	Kansas.....	KS						.0
18.	Kentucky.....	KY						.0
19.	Louisiana.....	LA						.0
20.	Maine.....	ME						.0
21.	Maryland.....	MD						.0
22.	Massachusetts.....	MA						.0
23.	Michigan.....	MI						.0
24.	Minnesota.....	MN						.0
25.	Mississippi.....	MS						.0
26.	Missouri.....	MO						.0
27.	Montana.....	MT						.0
28.	Nebraska.....	NE						.0
29.	Nevada.....	NV						.0
30.	New Hampshire.....	NH						.0
31.	New Jersey.....	NJ						.0
32.	New Mexico.....	NM						.0
33.	New York.....	NY						.0
34.	North Carolina.....	NC						.0
35.	North Dakota.....	ND						.0
36.	Ohio.....	OH						.0
37.	Oklahoma.....	OK						.0
38.	Oregon.....	OR						.0
39.	Pennsylvania.....	PA						.0
40.	Rhode Island.....	RI						.0
41.	South Carolina.....	SC						.0
42.	South Dakota.....	SD						.0
43.	Tennessee.....	TN						.0
44.	Texas.....	TX						.0
45.	Utah.....	UT						.0
46.	Vermont.....	VT						.0
47.	Virginia.....	VA						.0
48.	Washington.....	WA						.0
49.	West Virginia.....	WV						.0
50.	Wisconsin.....	WI						.0
51.	Wyoming.....	WY						.0
52.	American Samoa.....	AS						.0
53.	Guam.....	GU						.0
54.	Puerto Rico.....	PR						.0
55.	US Virgin Islands.....	VI						.0
56.	Canada.....	CN						.0
57.	Aggregate Other Alien.....	OT						.0
58.	Totals.....		.0	.0	.0	.0	.0	.0

NONE

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
PART 1 - ORGANIZATIONAL CHART



**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
PART 1 - ORGANIZATIONAL CHART





**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
PART 1 - ORGANIZATIONAL CHART

51.2

